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A G E N D A

National Security Council Meeting
10:30 a.m. Monday-May 24, 1982

EAST-WEST CREDIT AND THE DECEMBER 30, 1981 SANCTIONS

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|------|---------------------------|------------|
| I. | Introduction of Issue | Bill Clark |
| II. | State Department Proposal | Al Haig |
| III. | Discussion of Issues | All |
| IV. | Decision on Options | Bill Clark |

<u>OK</u>	<u>NO</u>	<u>RECOMMENDATIONS</u>
—	—	1. Decide to lift December 30, 1981 sanctions on oil and gas equipment exports to the USSR under existing contract as a tradeoff for achieving (1) allied agreement on meaningful restrictions on the flow of credits to the USSR, (2) political commitments from European governments to limit dependency on Soviet energy supplies, including refraining from construction of a "second strand" on the Siberian pipeline and commitments to minimize the purchases of gas under previously signed contracts with the Soviets, and (3) promote the expeditious development of North Sea gas.
—	—	2. Decide to extend the December 30 sanctions to include subsidiaries and licensees of U. S. companies abroad.
—	—	3. Decide to maintain the December 30, 1981 sanctions as they are now at least until after the June Summits.
—	—	4. Decide to indicate a willingness to Japan to grant U. S. licenses for the Sakhalin project as a tradeoff for a clear Japanese agreement on the credit limitation efforts and a firmer agreement or public statement on curtailing new Komatsu pipelayer sales. (Selection of this option presupposes a selection also of Option 1.)

NSC Review Completed.

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